

House Bill 306 (AS PASSED HOUSE AND SENATE)

By: Representatives Rice of the 51st, Ehrhart of the 36th, and Burkhalter of the 50th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales
2 and use taxes, so as to change certain provisions regarding payment of such tax with respect
3 to certain tangible personal property; to repeal conflicting laws; and for other purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 **SECTION 1.**

6 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use
7 taxes, is amended in Code Section 48-8-63, relating to payment of sales and use tax by
8 contractors, by adding a new subsection immediately following subsection (f) to be
9 designated subsection (g) to read as follows:

10 "(g)(1) Nothing contained in this Code section shall be construed to impose any sales or
11 use tax with respect to the use of tangible personal property owned by the State of
12 Georgia, the University System of Georgia, or any county, municipality, local board of
13 education, or other political subdivision of this state in the performance of contracts with
14 such entities when the property is not actually used up and consumed in the performance
15 of the contract. Tangible personal property incorporated into real property construction
16 which loses its identity as tangible personal property shall be deemed to be used up and
17 consumed within the meaning of this subsection. Any governmental entity which
18 furnishes tangible personal property to a contractor for incorporation into a construction,
19 renovation, or repair project conducted pursuant to a contract with such governmental
20 entity shall issue advance written notice to such contractor of the amount of tax owed for
21 such tangible personal property. The failure of the governmental entity to issue such
22 advance written notice to the contractor of such tax liability shall render such
23 governmental entity liable for such tax.

24 (2) This subsection shall not apply with respect to the use of tangible personal property
25 owned by the United States."

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- SECTION 2.
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- All laws and parts of laws in conflict with this Act are repealed.